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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

May 11, 2001

Hon. Steven W. Williams, Acting Secretary
Postal Rate Commission
1333 H Street, NW, Suite 300
Washington, D.C. 20268-0001

RE: Docket No. MC2000-1

Dear Mr. Williams:

**RE: Docket No. MC2000-1
(Experimental "Ride-Along" Classification Change for Periodicals)**

After having received and considered the comments from the participants solicited in my letter of April 11 on this subject, the Postal Service is providing a revised market research Project Description. Further comments should be provided to the undersigned no later than May 17, 2001. The Postal Service greatly appreciates the participants' cooperation in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Scott L. Reiter".

Scott L. Reiter
Attorney

cc: Participants of record in Docket No. MC2000-1

Ride-Along Classification Research
-- Project Description --
May 9, 2001

Overview

National Analysts has been commissioned to perform a two-phase research project to assess the impact of the Ride-Along experiment. In one phase, users of the Ride-Along experiment and the publishers who mailed their Ride-Along pieces will be queried and, in the other phase, companies that specialize in mailing samples for multiple clients will be interviewed. The primary thrust of the interviews with users and publishers is to understand what would have happened to the Ride-Along pieces had this experimental program not been available. The primary thrust of the interviews with companies specializing in mailing fulfillment samples is to determine the impact that the Ride-Along rate has had, if any, on their business (i.e., increase or reduction in number of, nature, or size of mailings, etc.). The approach that will be taken with each of these groups is described more fully below.

Survey Among Users/Publishers of Ride-Along Experimental Rate

It is our intent to complete up to 75 pairs of telephone interviews (up to 150 interviews in total) with users of the Ride-Along rate and their respective publishers. Initial pretests revealed that users and publishers, typically, have different information about the decision to use the Ride-Along rate and that interviews with both the user and publisher responsible for the same Ride-Along pieces may be required to provide the most complete picture of what would have happened had the Ride-Along rate not been available. In addition, discussions and comments from interested participants in the Ride-Along rate proceedings have been obtained and incorporated into the proposed design included in this description.

Therefore, to accomplish our objectives, the Postal Service is providing us with a list of users (i.e., owners or sources) of Ride-Along pieces, the publishers who mailed these pieces, and the number of pieces involved. The list includes about 1,500 mailings, some of which belong to the same users.

To ensure that we can estimate what would have happened to these mailings, it is our intent to sample *individual mailings*. We plan to stratify our sample into two or three strata, based upon the volume of Ride-Along pieces sent per mailing, and to allocate interview pairs across the strata such that we have a good representation of user/publisher mailings by volume in each stratum. It should be noted that the size of the list and our desire to complete up to 75 interview pairs (if necessary) might result in

a contact being attempted for every mailing to which Ride-Along pieces have been attached.

Telephone screenings will identify the individuals at the user and publisher organizations who are most knowledgeable about the decision to send Ride-Along pieces. The interviewer will confirm that pieces were, indeed, sent for the particular issue identified in the Postal Service list and will verify how the publication was prepared for mailing (e.g., unwrapped, sleeve-wrapped, polybagged, etc.) and where the piece was placed (e.g., on top of the publication, inside the publication, etc.). The interview protocol will be as follows:

- An attempt will be made to first complete an interview with the user of the Ride-Along rate, since that individual, when made aware of the special Ride-Along rate, should be in the best position to answer the necessary questions.
- If a user is able to answer all of the questions about his/her alternative behavior had the Ride-Along rate not been available, no attempt will be made to interview the publisher. However, if the user indicates that the publisher is in the best position to answer these questions, a contact will be attempted with the corresponding publisher.

Questions for the User

- Are you familiar with the Ride-Along rate? *(If not, basic description will be provided.)*
- *(The respondent's attention will be focused on the particular Ride-Along mailing that has been sampled.)* Are you the person in your organization who made the decision to send these Ride-Along rate pieces? *(If not, referral will be obtained for most knowledgeable person.)*
- In what way was the publication that contained your specific Ride-Along piece prepared for mailing (e.g., unwrapped, sleeve-wrapped, polybagged, etc.) and how satisfied or dissatisfied were you with this packaging?
- How was your Ride-Along piece placed with the publication (e.g., on top of publication, inside publication, etc.) and how satisfied or dissatisfied were you with this placement?
- What was the nature of this Ride-Along piece? Was it a CD, catalog, newsletter, brochure, product sample, etc.?

- How many Ride-Along pieces were sent with this publication for this mailing? *(Number will be verified against sample file and respondent will use this number for subsequent questions.)*
- Suppose a different postage rate had been in place when you sent these Ride-Along pieces, and that rate would have meant that your costs could have increased anywhere from 5¢ to 15¢ per piece (or \$x to \$y) in order to send the piece along with the publication packaged the same way. What would you have done if this were the case?
 - In what way(s), if any, would you have sent this mailing? *(Check all that apply unless "not sent any pieces at all" is selected)*
 - Exactly the same way
 - Some other way(s) (e.g., different class of mail, carrier, etc.)
 - As a stand-alone Standard mail piece
 - As a stand-alone First-Class mail piece
 - Along with a newspaper not delivered by mail
 - In a shared mail packet containing mail from several companies
 - By an alternative delivery system (e.g., home delivery)
 - Some other way (specify)
 - Not sent any pieces at all *(If selected, skip to next section)*
 - For each alternative -- exactly the same way/some other way(s) -- how many pieces would you have sent this way? *(If number of pieces is less than total number of pieces mailed, respondent will be asked to verify that fewer pieces would have been sent.)*
- Assuming the Ride-Along rate at which you sent these pieces continues to be available in the future, how likely or unlikely would you be to send at least one mailing in the next 12 months using the same preparation and placement approach as you did before?
- *(If percentage likelihood exceeds 50%)* How many mailings and how many pieces in total across these mailings would you be likely to send?

Questions for the Publisher (If necessary)

- Are you the person in this organization who is most knowledgeable about decisions regarding transmittal of Ride-Along rate pieces? *(If not, referral will be obtained.)*

- *(The respondent's attention will be focused on the particular Ride-Along mailing that has been sampled.)* Are you the person in your organization who was most involved with (Name of User) in the decision to send these Ride-Along rate pieces? *(If not referral obtained for most knowledgeable person.)*
- In 1999, before the Ride-Along rate became available, how was this publication prepared for mailing? Was it ever sent unwrapped, sleeve-wrapped, polybagged?
- Since February, 2000 until now, how has the publication been prepared for mailing? Has it been sent unwrapped, sleeve-wrapped, polybagged?
- How was the particular issue containing the Ride-Along rate pieces that were sampled prepared for mailing? *(Only asked if not obtained from User.)*
- How was the Ride-Along piece from (Name of User) placed with this particular issue? *(Only asked if not obtained from User.)*
- What was the nature of this Ride-Along piece? Was it a CD, catalog, newsletter, brochure, product sample, etc.? *(Only asked if not obtained from User.)*
- How many Ride-Along pieces from (Name of User) were sent with this publication for this mailing? *(Number will be verified against sample file and respondent will use this number for subsequent questions.)*
- Suppose a different postage rate had been in place when you sent these Ride-Along pieces for (Name of User), and that rate would have meant that *your mailing costs* could have increased by 10¢ per piece (or \$x) in order to send the piece along with the publication packaged the same way. To the best of your knowledge, what would (Name of User) have done if this were the case?
 - In what way(s), if any, would this mailing have been sent? *(Check all that apply except not at all)*
 - Exactly the same way
 - Some other way(s) (e.g., different class of mail, carrier, etc.)
 - As a stand-alone Standard mail piece
 - As a stand-alone First-Class mail piece
 - Along with a newspaper not delivered by mail
 - In a shared mail packet containing mail from several companies
 - By an alternative delivery system (e.g., home delivery)
 - Some other way (specify)
 - Not sent any pieces at all (Skip to next section)

- For each alternative – exactly the same way/some other way(s) – how many pieces do you think would have been sent this way? *(If number of pieces is less than total number of pieces mailed, respondent will be asked to verify that fewer pieces would have been sent.)*

The results from the two interviews will be combined to provide an estimate of the number of pieces that would not have been sent, and an estimate of the number of pieces that would have been mailed in the other ways mentioned above. An indication of anticipated future volume of Ride-Along pieces will also be derived. A Library Reference documenting the methodology and results will be prepared for the Postal Service to support a request to the Postal Rate Commission to recommend a permanent service.

Interviews with "Samples Fulfillment" Companies

It is our intent to complete up to ten in-depth interviews with Vice Presidents of Marketing/Sales of fulfillment organizations and other companies that distribute merchandise samples. The Postal Service is providing us with a list of such companies. Interviews are planned to achieve four purposes:

- Confirm awareness of the Ride-Along rate.
- Determine the volume, by category, of the sample mailings that the company had in the period prior to the initiation of the Ride-Along experiment.
- Estimate the increases or decreases the company has experienced in those categories during the pilot period.
- Understand the possible explanations for these changes (e.g., downturn in the economy, change in clientele, introduction of new Postal services, etc.).

Results of these interviews will be included in the Library Reference.

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